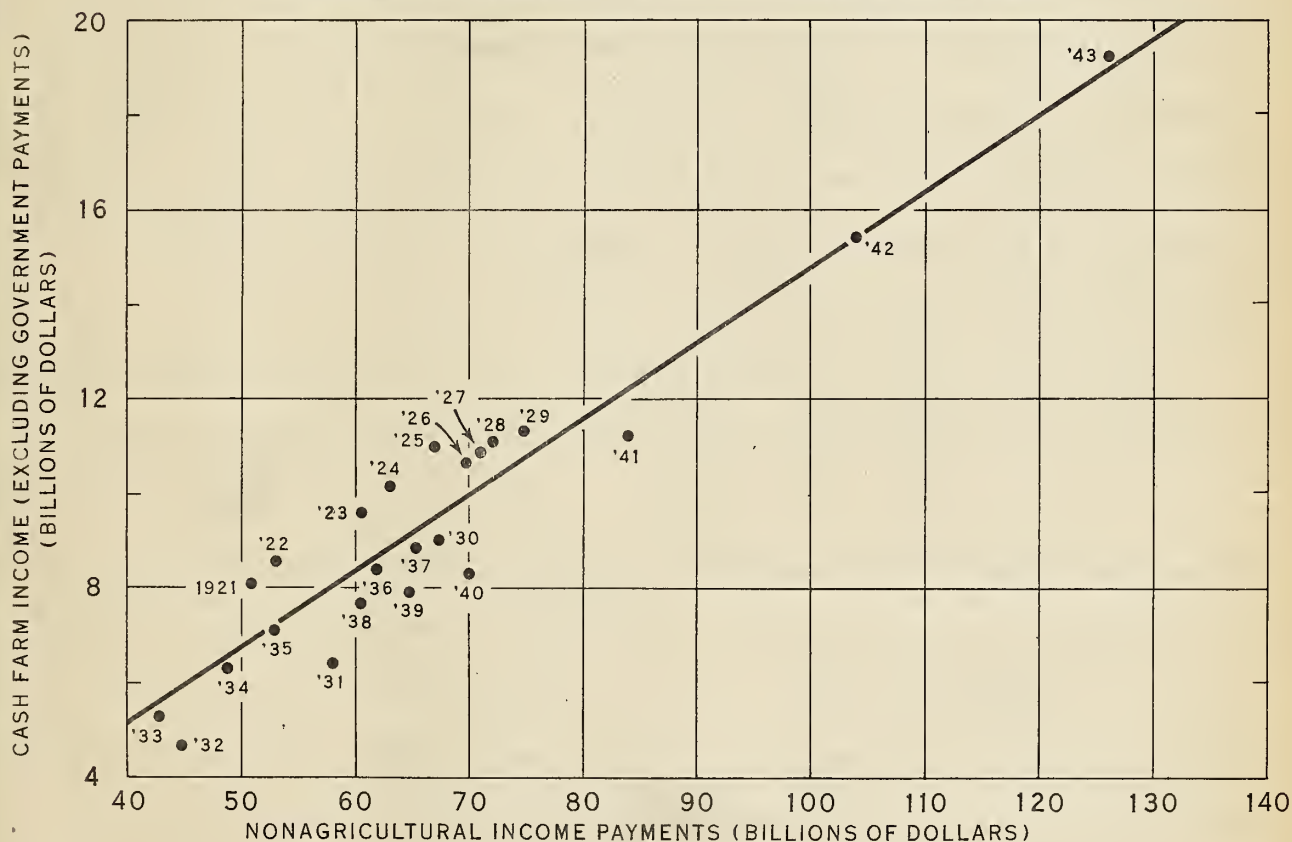


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CASH FARM INCOME IN RELATION TO NONAGRICULTURAL INCOME PAYMENTS, UNITED STATES, 1921-43



U. S. DEPARTMENT OF AGRICULTURE

NEG. 43738 BUREAU OF AGRICULTURAL ECONOMICS

Variations in the cash farm receipts (excluding Government payments) have been closely related to changes in nonagricultural income payments since 1921. During this period, an increase of 10 billion dollars in nonagricultural income payments has been associated with an average increase of about 1.6 billion dollars in cash farm receipts. From 1921 to 1929, exports of farm products were relatively large, and from 1930 to 1939 they were relatively small. During the first period, cash farm receipts were somewhat higher than would have been expected from the average relationship, and during the record period they were slightly lower.

DEMAND FOR FARM PRODUCTS

The demand for farm products in the United States is continuing at approximately the high level reached last fall. Nonagricultural income payments were 11 percent larger in April 1944 than they were 1 year earlier, although slightly under the peak reached in February 1944, after adjustment for seasonal trends. The seasonally adjusted index was 225.3 in February and 223.9 in April 1944. ^{1/} The significance of this decline is considerably lessened by the fact that retroactive wage payments to railway workers were relatively large in February and much smaller in March and April. Except for this factor, nonagricultural income payments would have remained almost constant from February to April. In addition to the high level of domestic demand, exports under lend-lease and other arrangements continued at a level greatly in excess of pre-war.

The future course of nonagricultural income payments is largely dependent on employment and wage payments because salaries and wages make up by far the largest proportion of the total payments. The Department of Labor has recently revised its estimates of the number of persons employed in nonagricultural establishments. According to the revised figures, the total number employed in May 1944 was 38,200,000 persons. This is 1,474,000 fewer than the number in May 1943 and 765,000 fewer than were working in January 1944. Changes in employment in the next few months will depend primarily on military needs.

The average hourly and weekly earnings of factory workers, who constitute about 42 percent of all nonagricultural workers, continued to advance through March 1944. Later figures are not available. The average hourly earnings of all factory workers in March 1944 were 100.3 cents as compared with 93.4 cents 1 year earlier. Average weekly earnings were \$45.62 for March 1944 and \$41.75

^{1/} Department of Commerce, 1935-39 = 100.

in March 1943. This represents an advance of 7.4 percent for hourly earnings and 9.3 percent for weekly earnings. The greater increase in weekly earnings is the result of an increase in the number of hours worked per week from 44.7 in March 1943 to 45.3 in March 1944.

-- June 17, 1944

INDUSTRIAL PRODUCTION

The seasonally adjusted index of industrial production for April 1944 was 240. ^{2/} This is the lowest figure since July 1943 and only 3 points above the index for the previous April. Indications are that there was a further slight decline in May. The average weekly index of steel production was lower by a fraction of a point in May. Electric power production also declined, which was contrary to the seasonal movement in both 1942 and 1943. However, the production of bituminous coal and petroleum were both slightly higher in May than in April.

The largest decline in industrial production in recent months has been in the output of durable manufactures. The April index for the production of durable goods was 362, which is 5 points under the previous month and 14 points under the peak in November 1943. The index of production of nondurable manufactures has been comparatively stable for more than a year. The seasonally adjusted index for February 1943 was 174. It gradually increased to 180 for November and then declined to 174 for April 1944.

Trends in new and in unfilled orders of manufacturers suggest that further declines in industrial production may be expected unless the needs of the armed forces for military supplies should increase. Any decline in military needs will result in a decline in production, at least during the period when plants are being reconverted to the production of civilian goods.

The volume of new orders received by manufacturers has been declining since about the middle of 1943. The index for all manufacturers for the first quarter of 1944 was 269 ^{3/} which was 5.3 percent below the index for the second quarter of 1943 and 3.1 percent below the fourth quarter. Nearly all of the decline has occurred in the orders received by durable goods industries, which have declined 8.9 percent since the second quarter of 1943 as compared with a decline of only 0.5 percent for nondurable goods.

The value of unfilled orders in the hands of industries manufacturing durable goods has been declining since early in 1943. The average for the first quarter of 1944 was about 18 percent below the amount outstanding 1 year earlier.

^{2/} Federal Reserve Board 1935-39 = 100.

^{3/} Department of Commerce, January 1939 = 100.

WHOLESALE PRICE MOVEMENTS

The maximum variation in the general level of wholesale prices in the United States since March 1943 has amounted to only a little more than 1 percent. The all-commodity index reached its highest point of 104.1 in May 1943. ^{4/} It then declined slowly until November when it reached 102.9 and has since increased to 104.0 in May 1944.

These movements are the result of somewhat diverse trends in the prices of the various classes of commodities included in the index. For instance, the prices of all commodities, except farm products and food, have been increasing very slowly but steadily for more than a year and a half. Since October 1942, the index for each month has been higher than that of the preceding month, although the total rise in 19 months has amounted to only a little more than 3 percent. The index for May 1944 was 98.5.

The wholesale prices of farm products reached a high point in June 1943, when the index was 126.2. Since that time, prices have been generally lower but with no clear trend in evidence. In May 1944, the index was 122.9 -- 2.6 percent under the peak in June last year.

FARM INCOME AND PRICES

The index of prices received by farmers for June will probably be slightly above May, with livestock and livestock products about the same but crops a trifle higher. Some increase in marketings will occur, and a small percentage rise in cash receipts may be expected.

Total receipts from farm marketings for the first half of 1944 will be about 8.65 billion dollars compared with 7.8 billion dollars in 1943. Preliminary estimates by commodity groups for January through June 1944 compared with revised estimates for the same period in 1943 follow:

Commodity	: January : through : June 1943	: January : through : June 1944
	: Million dollars	: Million dollars
Receipts from marketings ..	7,803	8,650
All crops	2,423	2,690
Food grains	199	275
Feed grains and hay ..	439	500
Cotton and cottonseed :	267	265
Oil-bearing crops	180	170
Tobacco	116	150
Vegetables	667	695
Fruits and nuts	369	425
All livestock	5,380	5,960
Meat animals	2,784	3,270
Dairy products	1,390	1,500
Poultry and eggs	1,104	1,080

^{4/} Bureau of Labor Statistics, 1926 = 100.

Cash receipts during May were about 1.46 billion dollars as against 1.40 billion dollars in April. Marketings of both crops and livestock were somewhat greater than for April, but prices were slightly lower although there was a 2 percent increase in prices of truck crops and nearly as much in prices of poultry and eggs. Income from crops in May was 403 million dollars compared with 423 million dollars in April. Receipts from livestock and livestock products were 1,061 million dollars while in April they amounted to 979 million dollars.

Slaughter of meat animals continued at high levels during May with all types above the same month last year. Slaughter of cattle, hogs, and sheep made substantial gains over April. Hog slaughter established a new record for May. Cash receipts from meat animals in May were 543 million dollars while in April they were 531 million dollars.

The number of laying hens on hand in May was 4 percent greater than a year ago, and egg production was 3 percent above last year but 4 percent less than in April. Receipts from poultry and eggs during May amounted to 203 million dollars compared with 181 million dollars in April. Milk production in May was 16 percent higher than for April, but about the same as for May 1943. Cash income from dairy products in May was 288 million dollars and 246 million dollars in April.

Total receipts from farm marketings for April were 1,404 million dollars compared with 1,433 million dollars in March and 1,322 million dollars in April last year. Increased receipts from soybeans and truck crops were greater than usual, and prevented income from crops from making as great a decline between March and April as generally occurs.

Income from cattle and calves was higher than usual compared with March.

Larger sales of milk and butterfat accounted for the greater-than-usual increase in receipts from dairy products.

Larger quantities of eggs and chickens were sold in April than in March, but broiler sales were down. Prices were slightly lower for eggs and chickens, and receipts from poultry and eggs dropped about 7 percent below March.

COTTON

Cotton prices have recently pushed into new high ground for the current war period. On June 17, the 10-market average of 21.56 cents per pound was 13 points above last season's peak of 21.43, and 18 points above the price on April 7, 1943, the day the President issued the "hold-the-line" order. To stabilize prices at that time the War Food Administration and the Office of Price Administration agreed to a program whereby cotton owned by the Commodity Credit Corporation would be sold at 21.38 cents, basis Middling 15/16 inch in the 10 markets. The sales price has been revised from time to time as required by law in order to reflect advances in the parity price of cotton. At the present time the average sales price for the 10 spot markets is about 21.88 cents per pound or two-fifths cent higher than the market price on June 12. Up to the first of June approximately 200,000 bales of cotton had been sold under the stabilization program.

The consumption of cotton per working day averaged 36,973 bales in May, the lowest since November 1940. This decline from the January-April average of 39,236 bales per day comes in the month that the minimum wartime work-week was instituted in the cotton textile industry, and after ceiling prices had been adjusted upward on important fabrics, and the War Production Board order calling for yarn production at least equal to the peak 1943 level had gone into effect. It is, therefore, difficult as yet to attribute to these actions much success in boosting the output of cotton textiles, although they may have prevented the decline from being even more marked.

CORN AND OTHER FEED

Little change is anticipated in prices of most feed grains in the next few months. Prices received by farmers for feed grains in May averaged slightly higher compared with April, but the parity price level remained unchanged. Prices received by growers on May 15 for oats averaged 79.9 cents per bushel, 118 percent of parity; barley \$1.13 per bushel, 108 percent; grain sorghums \$2.22 per hundred pounds, 108 percent; and corn \$1.15 per bushel, 106 percent of parity. The price of hay declined slightly during the month, from \$16.20 to \$16.10 per ton.

The milk-feed and butterfat-feed price ratios, including dairy production payments, are above average, but the hog-corn and egg-feed price ratios are below average, reflecting more favorable feed-product price relationships for dairymen than for hog producers or poultrymen.

Demand for feed concentrates became somewhat less urgent during the latter part of May and the first weeks of June, mainly as the result of good pastures becoming available in most areas. Available supplies of feed concentrates were still short of requirements, and prices of almost all held firm at ceiling levels. Supplies of oilseed cakes and meals in most areas were reported to be about equal to trade needs. Operation of the corn "freeze" order in the principal producing States progressed with processors obtaining needed quantities of corn for processing.

Prospects for the 1944 corn crop appeared only fair on June 1, but total acreage planted is expected to be large. Planting has been later than usual as the result of excessive moisture this spring. On June 1 a considerable acreage remained to be planted.

Barley production during 1944 is indicated to be almost 300 million bushels. This production would be 7 percent less than in 1943, but 7 percent greater than March 1 prospects indicated. The 1944 production of oats is forecast at 1,193 million bushels. If this production is obtained, the crop will exceed the 1943 production by about 4 percent, and the 10-year (1933-42) average by 16 percent, but would be about 12 percent less than the record 1942 crop.

WHEAT

Cash wheat prices, after remaining generally at ceiling levels for about 5 months, have recently declined, reflecting the sharp improvement in crop prospects. On June 16 the prices of No. 1 Dark Northern Spring at

Minneapolis and No. 2 Hard Winter at Kansas City were both 4 cents below the ceiling and below a month earlier. No 2 Red Winter at St. Louis is still unchanged at the ceiling, while No. 1 Soft White at Portland after declining 10 cents in the past month is 12 cents under the ceiling.

The wheat crop is now indicated at 1,035 million bushels, consisting of 714 million bushels of winter wheat and 321 million of spring wheat. A crop of this size would be the largest in our history and 150 million above the general indication in May. It is to be recognized, however, that weather and other factors could materially change the present figure.

The carry-over of old wheat on July 1, 1944, is now expected to total about 350 million bushels, which is 50 million bushels above the earlier estimate. This increase reflects larger imports than were expected earlier and the likelihood that feeding has been somewhat less than earlier expectations. The carry-over and indicated crop would make total supplies of 1,385 million bushels. With conditions subject to considerable change in the next year, greater uncertainty than usual is involved in forecasting distribution. If a carry-over goal of 300 million bushels is achieved July 1, 1945, a total disappearance of about 1,085 million bushels without imports would be indicated. This might be broken down about as follows, in million bushels: Food, 540; seed, 80; alcohol, 115; seed, 250; and exports, 100.

A national goal of 67 to 70 million acres of wheat for harvest in 1945 was announced June 5 by the War Food Administrator. This compares with an estimate of about 67 million acres seeded for this year's crop, and with 55 million acres in 1943. The national goal has been submitted to the States through the USDA War Boards, along with suggestions for the establishment of individual State goals within the local determination of necessary crop balance to get the greatest over-all production of grains. It is expected that the final State goals will be announced in about a month.

FATS, OILS, AND OILSEEDS

With a continued high rate of production of lard and record stocks on hand, prices of lard in early May declined from ceiling levels for the first time since August 1942. The published quotation since May 8 for price steam lard in store at Chicago, in tank car lots, has been 12.0 cents per pound, 0.8 cents under the ceiling level. Some sales have been reported at lower prices. Sales of grease and of linseed oil at slightly reduced prices also were reported during May. The index number of wholesale prices of 27 major fats and oils in May was 107 percent of the 1924-29 average, after standing at 108 percent for 10 consecutive months.

The record high output of lard since October has made it possible to increase civilian supplies of food fats in recent months, and to augment the supply of fats available for the manufacture of soap for civilians. In addition, the increase in lard stocks has accounted for a major share of the rise since a year ago in total stocks of fats and oils. Exclusive of lard and rendered pork fat held outside cold storage, factory and warehouse stocks of fats and oils on April 30 totaled 2,601 million pounds, 587 million pounds greater than a year earlier. Cold-storage holdings of lard and rendered pork fat totaled 496 million pounds, 349 million pounds over a year earlier.

Commercial stocks of lard on May 1, estimated to have been about 150 million pounds, were below the pre-war (1937-41) average, but Government holdings were very large.

The total inventory of fats and oils, though large, is not excessive in relation to present and prospective civilian, military, and export use. Even with restrictions on civilian use and commercial export of fats and oils other than lard, demand is sufficiently strong to maintain prices mostly at or near ceiling levels. Moreover, stocks have reached their seasonal peak and will decline until about October 1. In the 1944-45 season, beginning October, output of lard and grease will be substantially smaller than in 1943-44, and this is expected to be reflected in a material reduction in the total output of fats and oils from domestic materials from the 11.4 billion pounds anticipated in 1943-44. Hence the outlook is for a considerable tightening of the present comparatively easy situation in fats and oils.

The average price paid to growers for soybeans in mid-May, \$1.93 per bushel, was slightly higher than a month earlier, apparently reflecting a higher proportion of sales for seed, which are not subject to price ceilings. The mid-month average price for farmers' stock peanuts, at 7.74 cents per pound, also was slightly above a month earlier. For flaxseed, the average price was \$2.85 per bushel, down 1 cent from April 15. Cottonseed prices to growers averaged \$52.50 per ton, the same as a month earlier.

LIVESTOCK AND MEATS

Prices received by farmers for meat animals probably will be at a high level throughout the remainder of 1944, but, except for sheep and lambs, may be somewhat lower than during the same period in 1943. Meat requirements for the armed forces this year are materially greater than last, lend-lease needs are large, and civilian consumers are financially able to buy meat in very large quantities at prevailing prices. On the other hand, total meat production for the year may be an all-time record.

Meat demand probably will continue strong enough to take available meat supplies from the market at ceiling prices, except for temporary gluts in market supplies of some of the least desirable cuts. During the first 5 months of this year, civilian meat consumption was at a yearly rate of about 155 pounds per person (dressed weight). An annual consumption exceeding 155 pounds has not been attained since 1908. With this high rate of consumption, meat prices were generally at ceilings except for some of the least desirable meat items, largely miscellaneous pork cuts, low-grade lamb and mutton, and low-grade veal. Civilian consumption of meat is expected to be at a lower rate during the last half of the year, with smaller supplies available.

During the first part of June, cattle prices were at the highest levels of the year, and were higher than at any time since April 1943. Prices advanced soon after the freeing of most beef from ration points on May 4. Cattle prices now appear to be about as high as they can be in relation to wholesale beef ceilings. Cattle prices are expected to decline seasonally this summer and fall, and prices for all cattle are not likely to average as high for the rest of 1944 as in the same period of 1943. Larger slaughter supplies are in prospect throughout the remainder of this year than last. Also there will be a

larger proportion of low-grade cattle in total marketings. With the extremely strong demand for slaughter cattle grading Good or better in relation to prospective supplies of these grades, it is quite probable that prices for these grades will be maintained at a high level throughout the remainder of 1944.

Receipts of hogs at all markets have continued large since the first week in May. Federally inspected hog slaughter totaled 6.6 million head in May to set a new record for the month, 1.2 million head larger than the previous record slaughter for the month of 5.4 million head in 1943. Marketings of hogs are continuing large in June and are expected to continue large throughout the summer, although seasonally reduced. Prices for hogs not under the price-support program continued to decline in April and May, until in late May they were at the lowest levels since February 1942. Mid-June prices were only slightly lower than those of late May. Little improvement in hog prices is likely until mid-summer when marketings will be at a seasonally low level. Large stocks of pork and lard are in storage, Government purchase of pork remains small, and slaughter supplies of hogs probably will continue large well into July.

Prices of fed lambs were seasonally lower in early June than in early May. However, since the last week of January, prices for fed lambs at Chicago have averaged higher in most weeks than in corresponding weeks in 1943. Prices for slaughter lambs may be higher for the remainder of the year than last. Slaughter supplies probably will be smaller, as the early lamb crop was 6 percent less this year than last and the late crop may also be smaller.

WOOL

With practically all domestic wool now being purchased by the Commodity Credit Corporation and resold to mills at ceiling prices there is little opportunity for changes in market or farm prices of such wool aside from variations which reflect differences in grade and point of origin. The CCC is paying ceiling prices for all wool purchased. These prices include transportation and appraisal and handling charges which are deducted in determining the net price to growers. Maximum charges which may be deducted by dealers have been specified for all types of services in the CCC agreement with handlers. The average price received by farmers for wool on May 15 was 40.6 cents a pound, compared with 42.2 cents a year earlier. The mid-May price was about 71 percent higher than the 5-year, 1935-39 average price. Farm product prices as a whole in mid-May averaged 81 percent above the 1935-39 average.

Owing largely to the price differential between domestic and foreign wools there has been little demand for domestic wool in recent months except when it was needed for the production of Army fabrics which specified the use of domestic wool. Fine Australian wools are available at Boston at prices which are about 22 cents a pound (scoured basis) below prices of fine domestic wools converted to a strictly comparable quality basis, and the differential on other grades also is wide. Prices of foreign wool at present are determined to a large extent by the selling prices of the British Government -- which is marketing the entire wool production of Australia, New Zealand, and the Union of South Africa -- and by the DSC, which is basing its upset prices on the current British issue prices plus freight and other handling costs. Despite

large stocks of privately owned wool in South America the strong demand for medium grade wools -- the grades chiefly imported from South America -- and the limited shipping space have tended to keep U. S. prices of imported South American wools in line with prices of British controlled wools.

Only one-fourth of the apparel wool consumed by mills from January through April this year was domestic wool, compared with 43 percent in the same months last year. This change largely reflects the change in the proportion of military fabrics in the total fabric production. Military fabrics completed by 101 mills reporting to the National Association of Wool Manufacturers reached a high of 65 percent of all cloth finished by those mills in November 1942. Since that time the percentage has dropped steadily, reaching a low of 25 percent for the first two months of 1944, the latest period for which data are available. However, the production of civilian fabrics has increased and total consumption of apparel wool from January through April was at an annual rate of 610 million pounds on a scoured basis. This was only 2 percent smaller than in the corresponding period of 1943 and was larger than the 592 million total for 1943.

Privately owned stocks of domestic and foreign apparel wool held by dealers and manufacturers on April 1, 1944 totaled 287 million pounds, grease basis, compared with 258 million pounds 12 months earlier. Privately owned stocks of domestic wool totaled 77 million pounds on April 1, 1944, and 123 million pounds on April 1, 1943. In addition to these stocks the CCC held approximately 184 million pounds of domestic wool (grease basis) and the DSC held approximately 250 million pounds of foreign wool on April 1, 1944. All of the CCC stocks are available for purchase by mills. The stockpile wool held by the DSC is not available for unlimited purchase but is being offered in limited quantities at semi-monthly auction sales in Boston. From February 17, when the sales began, through June 1, about 123 million pounds (actual weight) had been offered and 84 million pounds had been sold.

DAIRY PRODUCTS

Milk and butterfat returns to farmers were higher in May than a year earlier. Slightly higher milk prices, and unchanged butterfat prices were supplemented by the dairy production payments. Feed costs have advanced relatively more than returns, and the milk-feed and butterfat-feed price ratios including Government payments, were lower in May than a year ago. But comparatively greater declines have occurred in other livestock-feed price ratios, so that price relationships are now more favorable to production of milk than to production of other livestock products. During the last six months of 1944 milk- and butterfat-feed price ratios probably will be near the levels of a year earlier.

Milk production increased irregularly over the country during May, with marketing facilities in some areas operating at capacity as the seasonal peak of production was being reached at the end of the month. Labor supplies were short in dairy manufacturing plants. Other shortages threatened: An example was a lack of export packaging for nonfat dry milk solids (dried skim milk) which led in June to a lowering of the setaside requirements from 75 percent on spray process and 50 percent on roller process to 50 percent and 35 percent, respectively.

Total United States milk production on farms in May was estimated at 11.9 billion pounds, a less-than-usual seasonal increase from April. However, milk production per cow increased at about the usual seasonal rate from May 1 to June 1, as compared with a subnormal increase during the corresponding period in 1943. Dairy pasture condition on June 1 was the highest for that date in 22 years, averaging 89.6 as compared with 88.9 on June 1, 1942, previously the highest June 1 dairy pasture condition in recent years.

Production of most dairy products was larger in April than a year earlier, the principal exception being creamery butter; seasonal increases in production are expected to be greater than usual through June. Despite larger production, markets were firm with prices maintained at ceilings. The ration point value of 12 per pound set for butter in May was continued for June, and cheese ration point values were lowered from 12 to 10 per pound for June. Both values reflect the larger supplies available for civilian use at present. Later in the year it is expected that civilian supplies will be smaller than they are now.

Poultry and Eggs

The prevailing strong consumer demand for eggs supplemented by continued Government purchases for price support, has resulted in increased wholesale prices for a seasonally declining egg supply. The increase in egg prices from spring to fall is likely to be greater this year than it was in 1943. Price increases so far have been most pronounced for top-grade large eggs. Prices for lower grades of smaller eggs also have advanced but in at least some terminal markets they are continuing below support levels applicable to wholesale trading.

In mid-June, wholesale prices of eggs at Chicago and New York were 1 to 4 cents per dozen higher than in mid-May, but 4 to 10 cents per dozen lower than in mid-June 1943. Price received by farmers in the United States for eggs in mid-May averaged 27.2 cents per dozen compared with 34.2 in May 1943.

So far in 1944, the WFA has purchased around 5 million cases of shell eggs for price-support purposes in addition to 173 million pounds of dried egg (equivalent of 17.1 million cases of shell eggs) purchased for direct war uses. Because of the tight cooler-storage situation 90,000 cases of shell eggs have been diverted into animal feed.

Both numbers of layers and total egg production have declined relative to a year earlier so far during 1944. In May total egg production was 3 percent greater than a year earlier while output in the January-May period was 7.5 percent larger than in the corresponding period of 1943. With continued heavy culling of laying flocks in prospect for the next few months and fewer birds raised for replacement purposes egg production probably will continue to decline relative to 1943 throughout the remainder of 1944. In the closing months of this year the total egg output is likely to be moderately below the record of a year earlier.

Farm marketings of both fowl and young stock are the largest on record for this season of the year. Total marketings will continue to increase

seasonally during the next several months, with a record large proportion of the calendar year marketings in the July-September quarter. Prices of live birds have been depressed somewhat by the increased supplies, but prices of most dressed birds are continuing steady at ceiling levels.

FRUIT

During mid-May, prices for fresh fruits generally were at levels approximately the same as a year earlier. For most fresh fruits for which maximum price regulations were in force, prices were at or near ceiling levels. As of May 15, equivalent on-tree returns to farmers for all methods of sale of citrus fruits, which comprised most of the volume of fresh fruit marketed in May, were as follows: Oranges, \$2.43 a box or 23 cents higher than a month earlier; grapefruit, \$1.41 a box or 5 cents higher; and lemons, \$2.77 a box or \$1.46 higher.

Prices for citrus fruit on the New York auction were fairly steady throughout most of May and early June. However, in late May, prices for oranges declined considerably, reflecting large supplies of this fruit and competition of fresh deciduous tree fruits, berries and melons. In mid-June New York auction prices for citrus fruits were near the same levels as in mid-May. Prices for Bing cherries in early June were moderately higher than a year earlier.

Effective June 13, 1944, ceiling prices relating to fresh apricots, plums, sweet cherries and Italian prunes, f.o.b. at country shipping points, have been established by the Office of Price Administration (MPR 426, Amendment 32). This regulation is expected to result in prices for these fruits somewhat lower than those prevailing last season.

During May and early June, weekly shipments of all fresh fruit by rail and boat have been at the 5,000-car level, approximately one-tenth higher than a year earlier. Since mid-May, weekly carlot shipments of apples, strawberries and grapefruit declined, while those of lemons increased. In addition, shipments of the 1944 crops of apricots, cherries, peaches, and plums began to move to market. Although supplies of fresh citrus fruits generally are expected to continue plentiful during June and July, an increasing percentage of the supplies of all fresh fruit will be composed of deciduous fruits.

Production of deciduous fruit in the United States in 1944, based on June 1 conditions, is indicated to be about one-fifth larger than the short crop last year and moderately larger than average. The indicated peach crop of 67 million bushels is 60 percent larger than the 1943 crop and 17 percent larger than the 10-year (1933-42) average. The prospective pear crop of 28 million bushels is 13 percent larger than the crop last year but slightly smaller than average. Production of apricots in California, Washington, and Utah is indicated to be 320,600 tons, three times the production last year and 38 percent larger than average. The indicated cherry crop of 196,650 tons is 69 percent larger than the 1943 crop and 27 percent larger than average. Most of the increase this year over last is in the sour varieties. The condition of commercial apples June 1 was 72 percent compared with 62 percent a year earlier, pointing to a larger crop than last year. The condition of the

grape crop June 1 at 83 percent this year compared with 86 percent last year, points to a crop about as large as the record crop last year.

Citrus groves were in generally good condition on June 1, suggesting a good crop of fruit for the 1944-45 season, which begins next fall for oranges, grapefruit, and lemons. The 1943-44 tonnage of citrus fruit is now estimated to be 12 percent larger than that of the previous crop. The 1943-44 grapefruit crop of 55.7 million boxes is 10 percent larger than the previous crop. The Florida crop of Valencia oranges, the marketing of which is well advanced, is estimated at 20 million boxes or 10 percent more than in 1942-43. The California crop of Valencia oranges, which provides most of the marketings from July to October, is estimated at 30.8 million boxes or 2.5 percent more than last season.

TRUCK CROPS

Prices received by farmers for truck crops for fresh market shipment during the first part of May were, on the average, slightly higher than in April. The index of truck crop prices of 225 (1910-14 = 100) in May was, however, considerably lower than the index of 276 a year earlier. Cabbage showed the largest decrease in price of any crop reported, averaging \$33.20 per ton for the first half of May of this year compared to \$82.60 in May of 1943.

The usual seasonal movement of vegetable prices is downward at this time of year. For the week ended June 3, the average wholesale price on the New York market of 18 vegetables was lower, and of four was higher, than for the week ended May 6. Crops which were higher in price were celery, cauliflower, green corn, and kale.

It is apparent that average prices for truck crops during June will continue at a lower level than a year ago. This is indicated from prices on the New York wholesale market. For the week ended June 3, the prices of 17 vegetables were lower than a year earlier and the prices of six were higher. Those higher in price than a year earlier were celery, green corn, kale, potatoes, spinach and watermelons. The lower prices received by farmers for truck crops this year compared to a year earlier were due for the most part to larger supplies although for some crops ceiling prices resulted in a lower average price than would otherwise have prevailed.

Plentiful supplies of fresh vegetables are expected to continue during the summer months. Plantings of summer fresh market truck crops, as reported to date, indicate an acreage 23 percent larger than in 1943. Plantings of 21 spring truck crops in the aggregate were 20 percent larger than in 1943. The production of the summer truck crops estimated to date is expected to be 21 percent larger than in 1943 and 7 percent above the 10-year (1933-42) average. The production of 21 spring truck crops was 15 percent higher than in 1943 and 12 percent larger than the 10-year average and the largest of record.

The supply of cabbage during the summer months is expected to be larger than average. Present indications point to a plentiful supply of onions

throughout the summer. The supply of tomatoes during June is expected to be lower than a year earlier; however, the summer crop probably will be about the same as a year earlier. The production of watermelons is indicated to be considerably larger than last year.

The 1944 estimated production of these truck crops compares on a percentage basis with 1943 and the 10-year (1933-42) average in the respective order as follows: Late spring cabbage 105 and 82 percent; early summer cabbage 118 and 118; late spring onions 178 and 163; early summer onions 171 and 120; late spring tomatoes 89 and 87; early summer tomatoes 98 and 115; late spring watermelons 161 and 109; and early summer watermelons 133 and 99 percent.

Conditions generally were favorable for the planting and early growth of the most important truck crops for processing during the last part of May and early June.

In some areas cold rainy weather delayed the planting of peas but more favorable growing conditions improved the crop prospects. The average condition of green peas for all States on June 1 was 86.7 percent compared to 88.6 a year earlier, and a 10-year June 1, 1933-42, condition of 83.8 percent

POTATOES

There has been relatively little change in the average prices received by farmers for potatoes during the past nine months. The price on May 15 was \$1.34 per bushel. The highest price for any of the last nine months was \$1.41 per bushel on January 15, and the lowest was \$1.28 per bushel on October 15.

The f.o.b. price of U. S. No. 1 Bliss Triumph new stock potatoes at Mobile, Ala. for the week ended June 3 was \$3.25 per 100 pounds, and the same price existed in the preceding week. These prices were approximately at the ceiling levels.

There was a marked increase in carlot shipments of new potatoes for the week ended June 3 as compared to the previous week. Although shipments of old potatoes continued to decline, with 834 carloads for the week ended June 3, they were much higher than for the corresponding week a year earlier when only 160 carloads were shipped.

The production of early Irish potatoes in the late spring States was estimated, on the basis of June 1 conditions, to be 30 million bushels compared with 34 million bushels a year earlier. The summer producing States are expected to have a crop of about 18-1/2 million bushels compared with about 23 million bushels a year earlier. Lower yields per acre were the most important factor contributing to lower total production in these areas.

ECONOMIC TRENDS AFFECTING AGRICULTURE

Item	Unit or base period	1943		1944				
		Year	May	Feb.	Mar.	Apr.	May	
Industrial Production <u>1/</u>	:1935-39 :							
Total	: = 100 :	239	239	244	242	239	237	
All manufactures	: " :	258	258	262	260	256	253	
Durable goods	: " :	360	359	368	367	361	357	
Nondurable goods	: " :	176	176	177	175	172	170	
Minerals	: " :	132	129	143	139	140	143	
Construction activity <u>1/</u>	:1935-39 :							
Contracts, total	: = 100 :	123	91	78	70	63	54	
Contracts, residential	: " :	98	76	52	42	42	40	
Wholesale prices <u>2/</u>	:1935-39 :							
All commodities	: = 100 :	128	129	129	129	129	129	
All commodities except farm and food	: " :	119	119	121	121	121	121	
Farm products	: " :	161	165	161	163	162	162	
Food	: " :	135	140	132	132	133	133	
Prices received and paid by farmers <u>3/</u>	:1910-14 :							
	: = 100 :							
Prices received, all prod.	: " :	193	194	195	196	196	194	
Prices paid, int. and taxes	: " :	164	163	170	170	170	170	
Parity ratio	: " :	117	119	115	115	115	114	
Consumer expenditures <u>4/</u>	:1935-39 :							
Total	: = 100 :	155	150	164	---	---	---	
Cost of living <u>5/</u>	:1935-39 :							
Total	: = 100 :	124	125	124	124	125	125	
Food	: " :	138	143	135	134	135	136	
Nonfood	: " :	116	115	118	118	119	119	
Income	:1935-39 :							
Nonagricultural payments <u>4/</u>	: = 100 :	207	203	225	225	224	---	
Cash farm <u>3/</u>	: " :	242	261	276	274	271	---	
Income of Industrial Workers <u>5/</u>	:1935-39 :	305	302	321	318	313	---	
Factory payrolls	: = 100 :	337	334	349	345	339	---	
Weekly earnings of factory workers <u>5/</u>	:Dollars :							
All manufacturing	: " :	43.16	43.22	45.44	45.62	---	---	
Durable goods	: " :	49.32	49.25	51.37	51.52	---	---	
Nondurable goods	: " :	34.12	34.07	36.37	36.55	---	---	
Employment	:							
Total civilian <u>6/</u>	:Million :	52.5	52.6	50.3	50.5	51.3	52.0	
Employees in nonagri. est. <u>5/</u>	:Thous. :	39,677	39,674	38,835	38,681	38,493	38,200	
Farm <u>3/</u>	: " :	10,263	10,492	8,303	8,562	9,080	10,068	
Government finance (Federal) <u>7/</u>	:Mil.Dol.:							
Receipts, net	: " :	2,879	1,480	2,503	6,573	3,087	2,950	
Expenditures	: " :	7,340	7,435	7,862	8,525	7,859	8,292	

Sources: 1/ Federal Reserve Board; converted to a 1935-39 base. 2/ U. S. Dept. of Labor, B.L.S. 3/ U. S. Dept. of Agriculture, B.A.E. To convert prices received and prices paid, interest and taxes to 1935-39 base, multiply by .93110 and .77640 respectively. 4/ U. S. Dept. of Commerce. 5/ U. S. Dept. of Labor, B.L.S. 6/ U. S. Dept. of Commerce, Bureau of the Census. 7/ U. S. Dept. of Treasury. Data for 1943 are on average monthly basis.

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